

**State of Montana
Oil & Gas Lease Sale - June 2, 2015
Lease Sale Results**

The following described lands were offered for oil and gas leasing through oral competitive bidding in the Department of Transportation auditorium, 2701 Prospect Avenue, Helena, Montana, beginning at 9:00 am, June 2, 2015.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
Big Horn									
1	1, 2, 3, 4, 5, 6, 11, 13, 14	2.N	33.E	35	Lot 1, Big Horn Riverbed and related acreage	* 143.60	\$1.50	\$215.40	BRISCOE PETROLEUM, LLC
Custer									
2	1, 2, 3, 4, 5, 6, 7, 10	13.N	46.E	36	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE, INC.
Dawson									
3	1, 2, 3, 4, 5, 6	13.N	53.E	2	Lots 1, 2, S2NE4	160.04	\$1.50	\$240.06	BIG SKY LAND AND TITLE, INC.
4	1, 2, 3, 4, 5, 6, 15	13.N	53.E	16	All	* 640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE, INC.
5	1, 2, 3, 4, 5, 6	15.N	53.E	24	S2	* 320.00	\$1.75	\$560.00	MONKOTA PETROLEUM CORPORATION
Fallon									
6	1, 2, 3, 4, 5, 6, 7, 10	10.N	56.E	16	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE, INC.
7	1, 2, 3, 4, 5, 6, 10	10.N	56.E	34	S2	320.00	\$1.75	\$560.00	MONKOTA PETROLEUM CORPORATION
8	1, 2, 3, 4, 5, 6, 7, 10	10.N	56.E	36	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE, INC.
Garfield									
9	1, 2, 3, 4, 5, 6, 10	15.N	30.E	36	NE4, NE4NW4, NE4SE4	240.00	\$25.00	\$6,000.00	CLINE PRODUCTION COMPANY
Hill									
10	1, 2, 3, 4, 5, 6	33.N	14.E	28	W2SW4	80.00	\$1.50	\$120.00	WESTERN NATURAL GAS CO.
11	1, 2, 3, 4, 5, 6, 10	33.N	14.E	29	E2SE4	80.00	\$1.50	\$120.00	WESTERN NATURAL GAS CO.
Prairie									
12	1, 2, 3, 4, 5, 6, 10, 12	11.N	56.E	16	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE, INC.
13	1, 2, 3, 4, 5, 6, 10	11.N	56.E	36	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE, INC.
14	1, 2, 3, 4, 5, 6, 8	12.N	54.E	13	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE, INC.
15	1, 2, 3, 4, 5, 6	12.N	54.E	14	E2, SW4	480.00	\$1.50	\$720.00	BIG SKY LAND AND TITLE, INC.
16	1, 2, 3, 4, 5, 6, 7	12.N	54.E	16	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE, INC.
17	1, 2, 3, 4, 5, 6, 7, 10	12.N	54.E	36	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE, INC.
18	1, 2, 3, 4, 5, 6, 7, 10	12.N	56.E	16	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE, INC.
19	1, 2, 3, 4, 5, 6, 7, 10	13.N	46.E	16	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE, INC.
20	1, 2, 3, 4, 5, 6, 7, 10	13.N	47.E	32	E2	320.00	\$1.50	\$480.00	BIG SKY LAND AND TITLE, INC.
21	1, 2, 3, 4, 5, 6, 15	13.N	53.E	36	All	* 640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE, INC.
22	1, 2, 3, 4, 5, 6, 7, 10	13.N	55.E	36	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE, INC.
23	1, 2, 3, 4, 5, 6, 10	14.N	45.E	24	W2	320.00	\$1.50	\$480.00	BIG SKY LAND AND TITLE, INC.
24	1, 2, 3, 4, 5, 6, 10	14.N	45.E	36	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE, INC.
25	1, 2, 3, 4, 5, 6, 7, 10	14.N	46.E	16	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE, INC.
26	1, 2, 3, 4, 5, 6, 7, 10	14.N	46.E	36	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE, INC.
27	1, 2, 3, 4, 5, 6, 10	15.N	45.E	36	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE, INC.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
Richland									
28	1, 2, 3, 4, 5, 6, 12	23.N	55.E	36	All	* 640.00	\$26.00	\$16,640.00	PETRO-HUNT, LLC
29	1, 2, 3, 4, 5, 6, 7	27.N	54.E	16	N2, SE4	480.00	\$2.00	\$960.00	MONKOTA PETROLEUM CORPORATION
Roosevelt									
30	1, 2, 3, 4, 5, 6, 12, 16	28.N	58.E	16	NW4	* 160.00	\$210.00	\$33,600.00	FOSSIL HILL RESOURCES LLC
31	1, 2, 3, 4, 5, 6, 8	29.N	54.E	16	All	640.00	\$2.00	\$1,280.00	NISKU ROYALTY, LP
32	1, 2, 3, 4, 5, 6, 16	29.N	58.E	30	N2SE4	80.00	\$195.00	\$15,600.00	NISKU ROYALTY, LP
33	1, 2, 3, 4, 5, 6, 16	30.N	56.E	16	N2, SE4	480.00	\$17.00	\$8,160.00	NISKU ROYALTY, LP
Sheridan									
34	1, 2, 3, 4, 5, 6, 7, 11, 16	34.N	55.E	16	All	640.00	\$33.00	\$21,120.00	ROSS ALGER ENERGY, LLC
35	1, 2, 3, 4, 5, 6, 8, 12, 16	34.N	57.E	16	All, below the base of the Mission Canyon formation	* 640.00	\$10.00	\$6,400.00	ROSS ALGER ENERGY, LLC
36	1, 2, 3, 4, 5, 6, 16	34.N	57.E	36	N2, SW4	* 480.00	\$34.00	\$16,320.00	ROSS ALGER ENERGY, LLC
Toole									
37	1, 2, 3, 4, 5, 6	33.N	1.E	16	All	640.00	\$17.00	\$10,880.00	ERIC JOHNSON
38	1, 2, 3, 4, 5, 6	33.N	1.E	35	W2	* 320.00	\$2.00	\$640.00	ERIC JOHNSON
39	1, 2, 3, 4, 5, 6	33.N	1.E	36	All	640.00	\$2.00	\$1,280.00	ERIC JOHNSON
Wibaux									
40	1, 2, 3, 4, 5, 6, 9	11.N	57.E	18	E2	320.00	\$1.75	\$560.00	MONKOTA PETROLEUM CORPORATION

* Part or all of tract is not state-owned surface

Summary by Lessor

	Total Acres	Total Tracts
Dept. of Natural Resources and Conservation	19,503.64	40

Oil and Gas Lease Sale Summary

Total Tracts	40
Total Acres	19,503.64
Total Bid Revenue	\$159,255.46
Average Bid Per Acre	\$8.17

State of Montana
Oil & Gas Lease Sale - June 2, 2015
Stipulations

- 1 Lessee shall notify and obtain approval from the Department's Trust Land Management Division (TLMD) prior to constructing well pads, roads, power lines, and related facilities that may require surface disturbance on the tract. Lessee shall comply with any mitigation measures stipulated in TLMD's approval.
- 2 Prior to the drilling of any well on or into the lease premises, lessee shall send one copy of the well prognosis, including Form 22 "Application for Permit" to the Department's Trust Land Management Division (TLMD). After a well is drilled and completed, lessee shall send one copy of all logs run, Form 4A "Completion Report", and geologic report to TLMD. A copy of Form 2 "Sundry Notice and Report of Wells" or other appropriate Board of Oil and Gas Conservation form shall be sent to TLMD whenever any subsequent change in well status or operator is intended or has occurred. Lessee shall also notify and obtain approval from the TLMD prior to plugging a well on the lease premises.

Issuance of this lease in no way commits the Land Board to approval of coal bed methane production on this lease. Any coal bed methane extraction wells would require subsequent review and approval by the board.
- 3 The TLMD will complete an initial review for cultural resources and, where applicable, paleontological resources of the area intended for disturbance and may require a resources inventory. Based on the results of the inventory, the TLMD may restrict surface activity for the purpose of protecting significant resources located on the lease premises.
- 4 The lessee shall be responsible for controlling any noxious weeds introduced by lessee's activity on State-owned land and shall prevent or eradicate the spread of those noxious weeds onto land adjoining the lease premises. The lessee's methods of control shall be reviewed and approved by the Department's Unit Office that has jurisdiction for that locale.
- 5 The definitions of "oil" and "gas" provided in 82-1-111, MCA, do not apply to this lease for royalty calculation purposes.
- 6 If the State does not own the surface, the lessee must contact the owner of the surface in writing at least 30 days prior to any surface activity. A copy of the correspondence shall be sent to TLMD.
- 7 Due to unstable soil conditions on this tract and/or topography that is rough and/or steep, surface use may be restricted or denied. Seismic activity may be restricted to poltershots.
- 8 The lessee is responsible to pay for all damages, including penalties and charges assessed by the USDA-CFSA on CRP lands, as a result of drilling and production on the tract.
- 9 This lease is located within MT-DFWP sage grouse general habitat. Active sage grouse lek(s) is/are currently known to exist on or within two miles of this lease. Sage grouse lek distribution and status can change as new data is acquired. Proposed activities must comply with the Montana Sage Grouse Habitat Conservation Strategy and amendments thereto.
- 10 This lease is located within MT-DFWP sage grouse general habitat. Active sage grouse lek(s) is/are not currently known to exist on or within two miles of this lease. Sage grouse lek distribution and status can change as new data is acquired. Proposed activities must comply with the Montana Sage Grouse Habitat Conservation Strategy and amendments thereto.
- 11 Unless otherwise approved by the Department in writing, wells and related surface infrastructure, including new road construction, are prohibited within 1/2 mile of the centerline of a navigable river, lake or reservoir, and within 1/4 mile of direct perennial tributary streams of navigable waterways, on or adjacent to the tract. No surface occupancy is allowed within the bed of a river, stream, lake or reservoir, islands and accretions or abandoned channels.
- 12 Due to the floodplain/wetlands area(s), surface use may be restricted or denied.

- 13 This tract contains navigable riverbeds. No surface occupancy is allowed within the bed of the navigable river, abandoned channels, or on islands and accretions. In addition, upon completion of a successful well, where river title is disputed, the lessee will file an interpleader action under Rule 22, M.R.Civ.P. in the Montana District Court, or other court having jurisdiction, in which the leased lands are located for all acreage within the lease in which the title is disputed. The lessee shall name all potential royalty claimants as defendants.
- 14 If the lessee completes a successful oil and/or gas well, and if land title is disputed, the lessee shall fund professional land surveys as needed to determine the location and acreage encompassed by the spacing and/or pooling unit and the state lease acreage within that unit. Surveys shall be conducted by a licensed land surveyor acceptable to the Department, and shall be prepared pursuant to survey requirements provided by the Department.
- 15 Due to existing surface uses (such as center pivots, wheel lines, etc.) development on this tract may be restricted.
- 16 If whooping cranes are observed on-site, construction and/or maintenance activities shall be suspended until birds leave the area.

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Applicant List**

Tract	Twp	Rng	Sec	Description	Acres	Applicant
Big Horn						
1	2.N	33.E	35	Lot 1, Big Horn Riverbed and related acreage	143.60	BRISCOE PETROLEUM, LLC
Custer						
2	13.N	46.E	36	All	640.00	BIG SKY LAND AND TITLE, INC.
Dawson						
3	13.N	53.E	2	Lots 1, 2, S2NE4	160.04	BIG SKY LAND AND TITLE, INC.
4	13.N	53.E	16	All	640.00	BIG SKY LAND AND TITLE, INC.
5	15.N	53.E	24	S2	320.00	BIG SKY LAND AND TITLE, INC.
Fallon						
6	10.N	56.E	16	All	640.00	BIG SKY LAND AND TITLE, INC.
7	10.N	56.E	34	S2	320.00	BIG SKY LAND AND TITLE, INC.
8	10.N	56.E	36	All	640.00	BIG SKY LAND AND TITLE, INC.
Garfield						
9	15.N	30.E	36	NE4, NE4NW4, NE4SE4	240.00	AMERICAN PATRIOT OIL AND GAS, INC.
Hill						
10	33.N	14.E	28	W2SW4	80.00	WESTERN NATURAL GAS CO.
11	33.N	14.E	29	E2SE4	80.00	WESTERN NATURAL GAS CO.
Prairie						
12	11.N	56.E	16	All	640.00	BIG SKY LAND AND TITLE, INC.
13	11.N	56.E	36	All	640.00	BIG SKY LAND AND TITLE, INC.
14	12.N	54.E	13	All	640.00	BIG SKY LAND AND TITLE, INC.
15	12.N	54.E	14	E2, SW4	480.00	BIG SKY LAND AND TITLE, INC.
16	12.N	54.E	16	All	640.00	BIG SKY LAND AND TITLE, INC.
17	12.N	54.E	36	All	640.00	BIG SKY LAND AND TITLE, INC.
18	12.N	56.E	16	All	640.00	BIG SKY LAND AND TITLE, INC.
19	13.N	46.E	16	All	640.00	BIG SKY LAND AND TITLE, INC.
20	13.N	47.E	32	E2	320.00	BIG SKY LAND AND TITLE, INC.
21	13.N	53.E	36	All	640.00	BIG SKY LAND AND TITLE, INC.
22	13.N	55.E	36	All	640.00	BIG SKY LAND AND TITLE, INC.
23	14.N	45.E	24	W2	320.00	BIG SKY LAND AND TITLE, INC.
24	14.N	45.E	36	All	640.00	BIG SKY LAND AND TITLE, INC.
25	14.N	46.E	16	All	640.00	BIG SKY LAND AND TITLE, INC.
26	14.N	46.E	36	All	640.00	BIG SKY LAND AND TITLE, INC.
27	15.N	45.E	36	All	640.00	BIG SKY LAND AND TITLE, INC.
Richland						
28	23.N	55.E	36	All	640.00	IRISH OIL & GAS, INC.
29	27.N	54.E	16	N2, SE4	480.00	DNRC/LAND BOARD
Roosevelt						
30	28.N	58.E	16	NW4	160.00	FOSSIL HILL RESOURCES LLC
31	29.N	54.E	16	All	640.00	DNRC/LAND BOARD
32	29.N	58.E	30	N2SE4	80.00	IRISH OIL & GAS, INC.
33	30.N	56.E	16	N2, SE4	480.00	DNRC/LAND BOARD
Sheridan						
34	34.N	55.E	16	All	640.00	ZONE EXPLORATION, INC.
35	34.N	57.E	16	All, below the base of the Mission Canyon formation	640.00	ZONE EXPLORATION, INC.
36	34.N	57.E	36	N2, SW4	480.00	ZONE EXPLORATION, INC.
Toole						
37	33.N	1.E	16	All	640.00	JOHNSON, ERIC H.
38	33.N	1.E	35	W2	320.00	JOHNSON, ERIC H.
39	33.N	1.E	36	All	640.00	JOHNSON, ERIC H.
Wibaux						
40	11.N	57.E	18	E2	320.00	BIG SKY LAND AND TITLE, INC.

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

Trust Land Management Division



STEVE BULLOCK, GOVERNOR

1625 ELEVENTH AVENUE

DIRECTOR'S OFFICE (406) 444-2074
TELEFAX NUMBER (406) 444-2684

PO BOX 201601
HELENA, MONTANA 59620-1601

TO ALL INTERESTED PARTIES:

RE: September 1, 2015 Oil and Gas Lease Sale

In order to give as much advance notice as possible, please be advised that the date of the September 2015 Oil and Gas Lease Sale has been set for **TUESDAY, SEPTEMBER 1, 2015**, at 9:00 A.M. in the auditorium of the Department of Transportation building at 2701 Prospect Avenue, Helena, Montana, east of the interstate highway. Please call the Department of Natural Resources and Conservation for detailed directions, if necessary.

The deadline filing date for submitting applications on tracts to be nominated for the sale in September is 5:00pm on June 16, 2015. Applications must be received in this office by that date. If you have any questions, please contact me at jmason2@mt.gov or (406) 444-4576.

Julie Mason, Supervisor
Mineral Leasing Section
Minerals Management Bureau